

AMENDED IN SENATE MARCH 26, 2012

SENATE BILL

No. 1164

Introduced by Senator Emmerson

February 22, 2012

An act to amend Section ~~4001 of the Welfare and Institutions~~ 678.3 of the Insurance Code, relating to ~~mental health~~ insurance.

LEGISLATIVE COUNSEL'S DIGEST

SB 1164, as amended, Emmerson. ~~Mental health~~ Insurance.

Existing law provides, only until January 1, 2013, that an insurer issuing professional liability insurance policies to health care providers is not liable for statements made in any of specified communications, including a written notice of renewal or evidence submitted in a court proceeding or informal inquiry in which nonrenewal is an issue, unless the statement was made in bad faith.

This bill would extend the operative date of that provision until January 1, 2016.

~~Existing law establishes the State Department of Mental Health, under the control of the Director of Mental Health.~~

~~This bill would make a technical, nonsubstantive change to these provisions.~~

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 678.3 of the Insurance Code is amended
2 to read:

678.3. (a) There shall be no liability on the part of, and no cause of action of any nature shall arise against, any insurer that issues professional liability insurance policies to health care providers or its authorized representatives, agents, or employees, or any licensed insurance agent or broker, for any statement made, unless shown to have been made in bad faith, by any of them in any of the following:

(1) A written notice of nonrenewal, or any other oral or written communication specifying the reasons for nonrenewal of a policy issued to a health care provider.

(2) Any communication providing information pertaining to the nonrenewal.

(3) Evidence submitted at any court proceeding or informal inquiry in which the nonrenewal is an issue.

(b) This section shall apply only to nonrenewals for which written notice is provided by the insurer on or after January 1, 2006.

(c) This section shall remain in effect only until January 1, 2013, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2013, deletes or extends that date.

~~SECTION 1. Section 4001 of the Welfare and Institutions Code is amended to read:~~

~~4001. As used in this division, the following definitions apply:~~

~~(a) "Department" means the State Department of Mental Health.~~

~~(b) "Director" means the Director of Mental Health.~~

~~(c) "State hospital" means any hospital specified in Section~~

~~4100.~~